

The Nissan logo, consisting of three slanted parallel bars, is positioned above the company name. The entire slide has a blue tint and a background image of a modern glass building.

NISSHA

**Financial Results
for FY2023 Q1
Ended March 31, 2023**

May 11, 2023

Junya Suzuki

President and CEO

Nissha Co., Ltd.

Highlights

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FY2023 Q1 Results

- Tailwinds
 - Steady product demand for CDMO, and significant improvement in profitability in Medical Technologies
 - Stable demand for mobility in Industrial Materials (Decoration)
- Headwinds
 - Demand environment worsened due to settlement of stay at home consumption and inventory adjustments in supply chain.
 - Demand declined for home appliances in Industrial Materials (Decoration) and for tablet devices and industrial equipment in Devices.

Forecast for FY2023

- Forecast revised downward for H1 and full year
 - Reflected Q1 results and incorporated the demand slowdown after Q2
- Demand recovery expected in H2

Topics

- [Sustainable Materials] New plant begins operations in Germany
- [Sustainable Materials] Capital and business alliance with PaperFoam Holding B.V., and converted the company into an equity-method affiliate
- Partnership agreement for promotion of digital strategy with Shiga University

FY2023 Q1 Results

(Millions of JPY)

| | 2022Q1 Results | 2022Q4 Results | 2023Q1 Results | 2023Q1 | |
|---|-------------------|-------------------|-------------------|-----------|----------------|
| | | | | YoY | QoQ |
| Net sales | 41,412 | 52,581 | 42,430 | +2.5% | -19.3% |
| Industrial Materials | 16,785 | 18,611 | 17,073 | +1.7% | -8.3% |
| Devices | 15,957 | 22,717 | 14,807 | -7.2% | -34.8% |
| Medical Technologies | 6,685 | 8,976 | 8,525 | +27.5% | -5.0% |
| Others | 1,983 | 2,276 | 2,024 | +2.1% | -11.1% |
| Operating profit | 2,494 | * -160 | -671 | - | - |
| Operating profit margin | 6.0% | -0.3% | -1.6% | -7.6pt | -1.3pt |
| Industrial Materials | 1,528 | * -1,139 | 519 | -66.0% | *Turn positive |
| Devices | 1,422 | 1,747 | -868 | - | - |
| Medical Technologies | 7 | 338 | ✓ 496 | +6,627.5% | +46.7% |
| Others | -464 | -1,107 | -818 | - | - |
| Profit before tax | 3,565 | -1,576 | -791 | - | - |
| Profit attributable to owners of parent | 3,280 | -1,677 | -784 | - | - |
| Forex | ¥113/\$ | ¥143/\$ | ¥131/\$ | - | - |

*Temporary expense of -1.8 billion yen for such as impairment loss included.

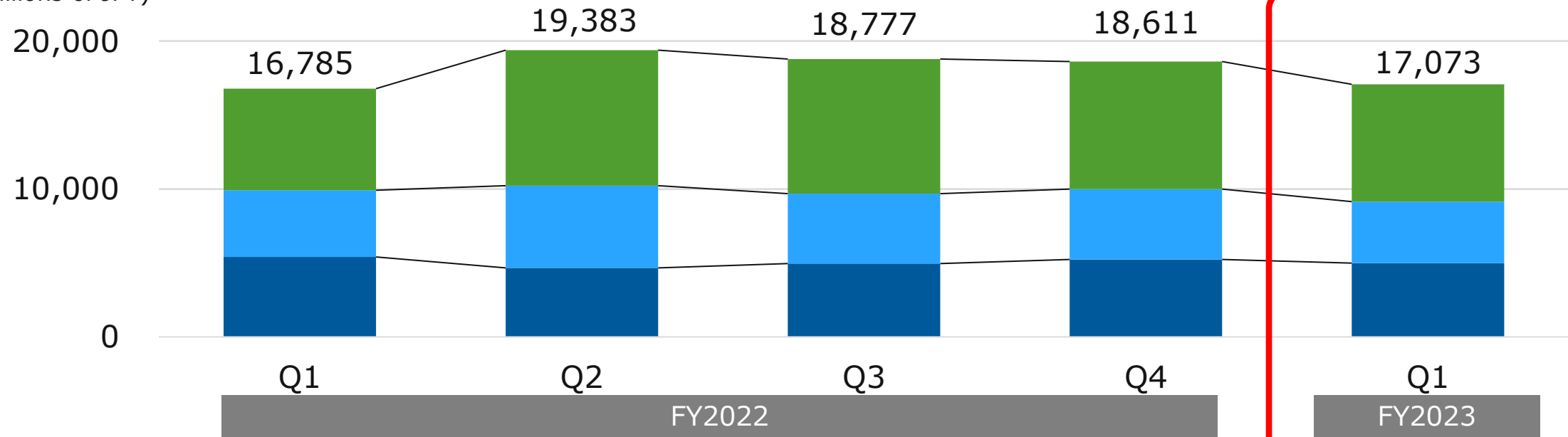
Industrial Materials

- Decoration for mobility: Remained firm in Japan, US, and EU markets
- Decoration for home appliances and others: Demand declined due to the settlement of stay at home consumption.

Net sales trend by application

- Sustainable Materials (Metallized paper and others)
- Decoration (Home appliances and others)
- Decoration (Mobility)

(Millions of JPY)



New plant begins operations in Germany

- Production capacity increase for Sustainable Molded Products* (existing product)
- Investment of 700 million JPY into Nissha Schuster in Germany
- Mass production ongoing for packages (trays for auto-injectors) of a European pharmaceutical company

* Molded products made mainly from plant-based materials

Pulp-Injection (existing product)



Feature
Thin and rigid
Complex shape
applicable

Target markets
Pharmaceuticals
Cosmetics

NISSHA
Nissha Schuster
(Injection molding in Germany)



Capital and business alliance with PaperFoam Holding B.V. (the Netherlands); Equity-method affiliate 30%

- Strengthen product lineup for Sustainable Molded Products (full-line strategy)
- Expand target market
- New product development through joint development with PaperFoam

| Overview of PaperFoam Holding B.V. | |
|------------------------------------|---|
| Headquarters | The Netherland |
| Production bases | The Netherlands, Czech Republic, US, Malaysia |
| Employees | 233 (as of September 2022) |
| Business outline | Development, production and sales of eco-friendly PaperFoam molded products |

PaperFoam® molded products **NEW**

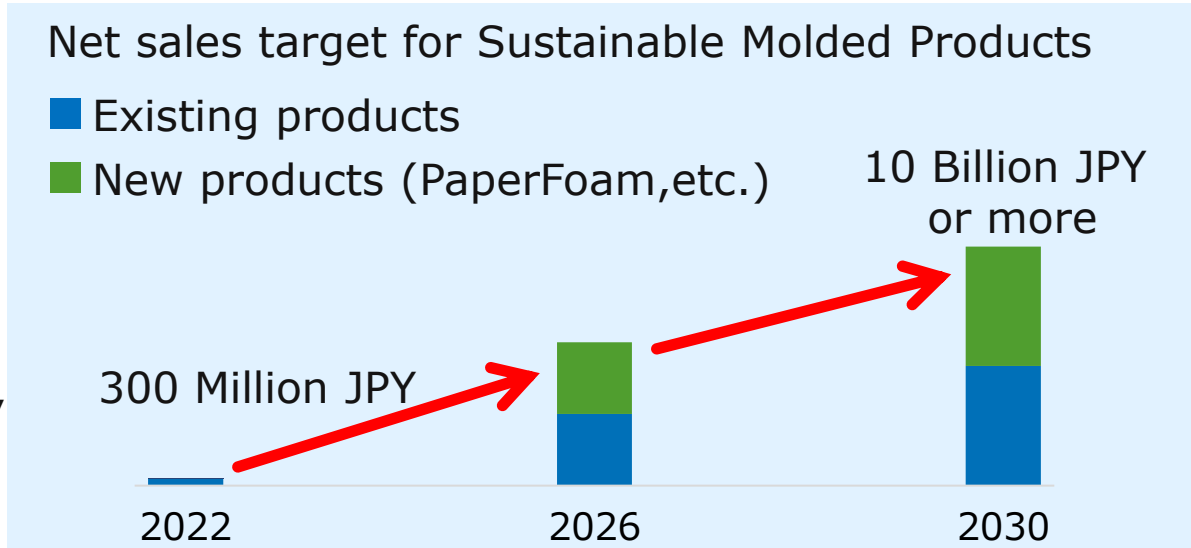


Feature

Complex shape with excellent cushioning

Target markets

- Pharmaceuticals and cosmetics,
 ✓ home appliances,
 ✓ electronic equipment,
 ✓ personal care products



Devices

- Weak demand for tablet devices and industrial equipment due to the settlement of stay at home consumption and inventory adjustments in supply chain
- Unfavorable change in model mix of tablet devices affected profitability in 2023Q1

Net sales trend by application

Potable game players, Industrial equipment (logistics related), Mobility, Gas sensors and others
 Tablet devices
 Smartphones

(Millions of JPY)

20,000

10,000

0

15,957

17,645

23,647

22,717

14,807

Q1

Q2

Q3

Q4

Q1

FY2022

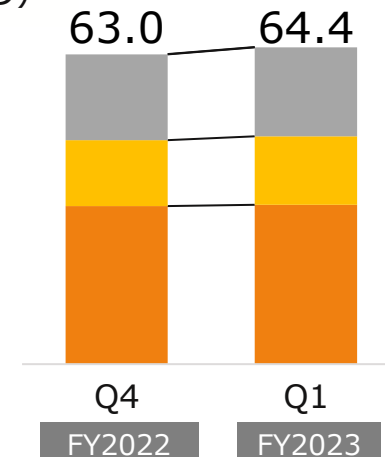
FY2023

Medical Technologies

- Steady product demand for CDMO
(2023Q1 sales decreased compared to 2022Q4 due to the impact of exchange rates.)
- Improving profitability (Progress in improving productivity and efficiency, Product mix improvement)

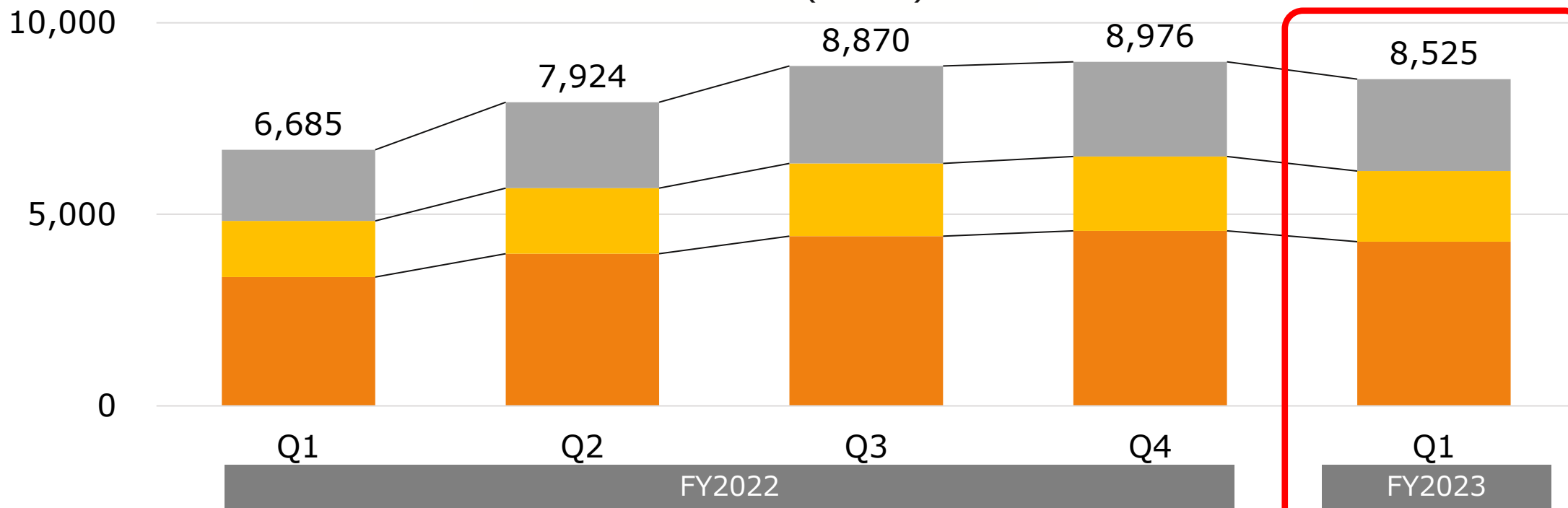
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Net sales on a local currency basis
(M USD)















Net sales trend by application
(Millions of JPY)

- Business media
- Medical devices (Own brand)
- Medical devices (CDMO)



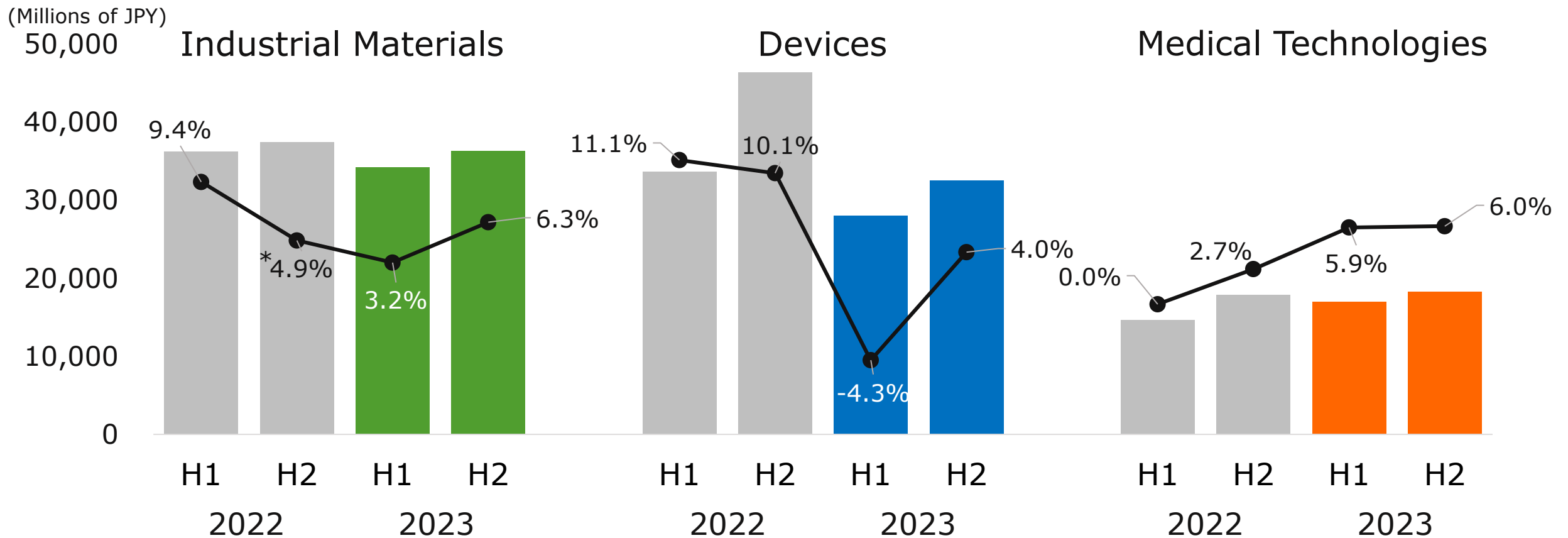
Forecast update for FY2023

| Business | Application | Initial outlook (Feb. 14) 2023 Forecast (versus 2022) | | Latest outlook 2023 Forecast (versus 2022) | |
|----------------------|--|---|---|---|---|
| Industrial Materials | Decoration (Mobility) |  | Gradual recovery from the impact of supply constraints |  | Same as the initial forecast |
| | Decoration (Home appliances and others) |  | Flat demand |  | Weaker trend than initially expected due to the end of stay at home consumption and inflation |
| | Sustainable Materials |  | Stable demand Full-year contribution of the price increase during 2022 |  | Weaker trend in North and South America than initially expected |
| Devices | Tablet devices |  | Demand adjustment phase in H1 and recovery in H2 |  | ✓ Demand adjustment spills over to H2 Model mix normalized after Q2 |
| | Industrial equipment (logistics related) |  | Flat demand |  | The slowdown in demand is stronger than initial forecast |
| Medical Technologies | Medical devices (CDMO) |  | Growth of the CDMO market Net sales of our CDMO business CAGR26.8%* |  | Same as the initial forecast |

FY2023 Forecast by business

- Industrial Materials: Demand recovery in H2, and profitability improvement through productivity improvement
- Devices: Demand recovery in H2, and maintain business structure for increasing demand for tablet devices in the next year
- Medical Technologies: Demand growth trend continues, and maintaining profitability improvement

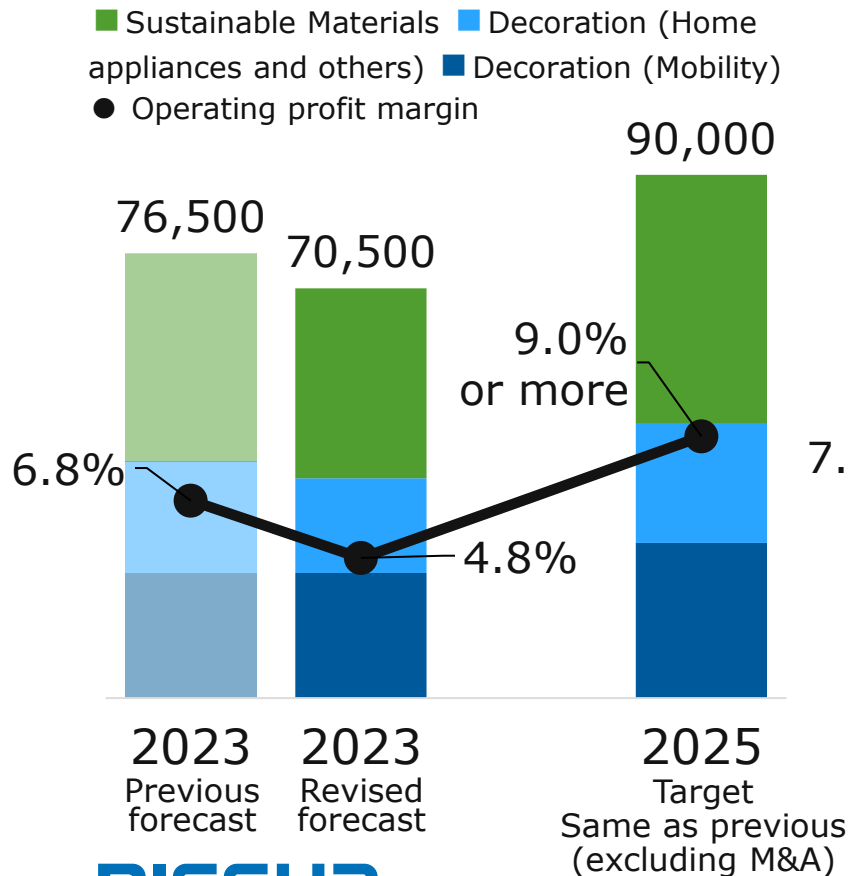
■ ■ ■ ■ Net sales
● Operating profit margin



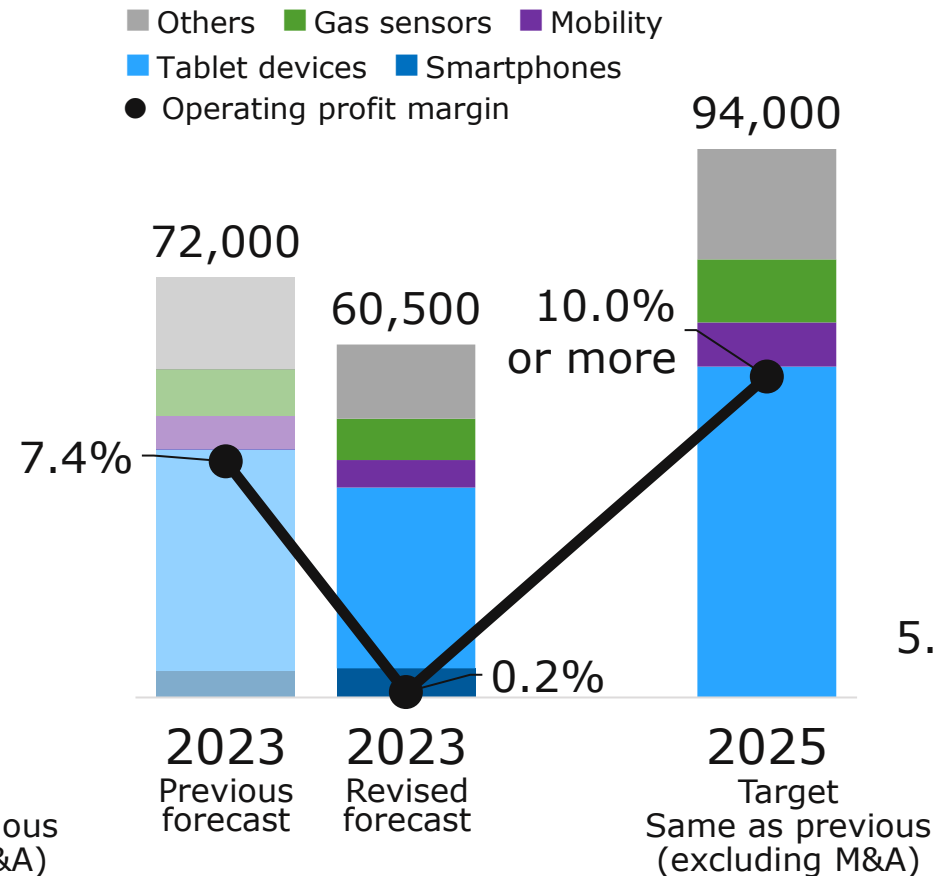
Prospects for medium-term (FY2025) unchanged

- No change in business opportunities and in competitive position of us
- Aiming for FY2025 target announced on February 14

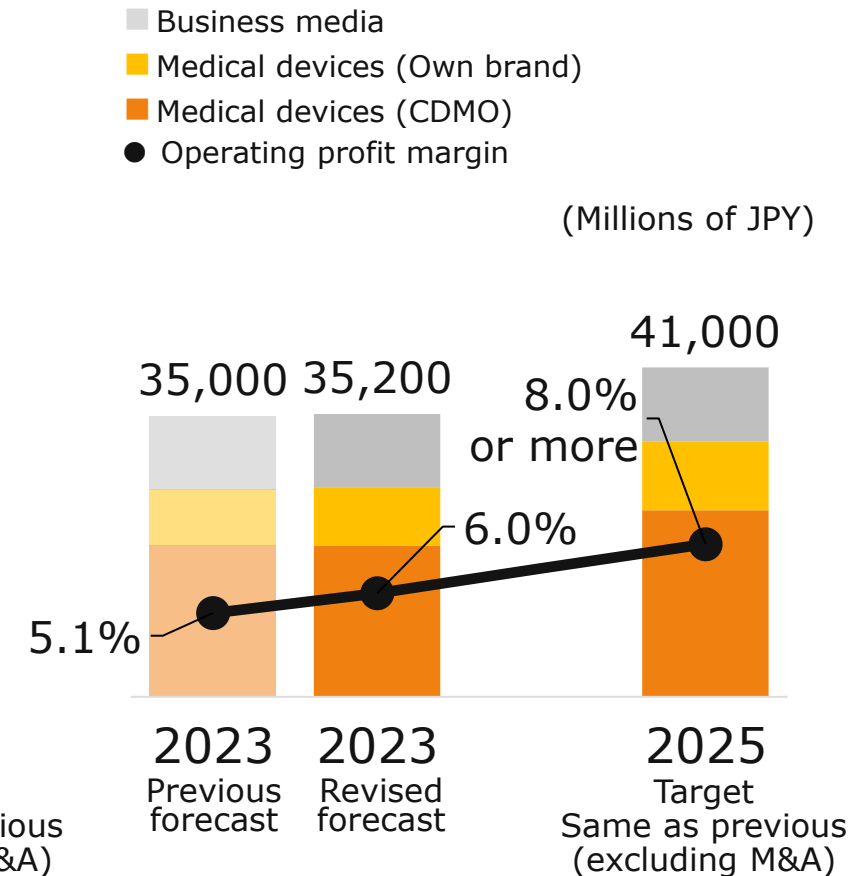
Industrial Materials



Devices



Medical Technologies



Partnership agreement for promotion of digital strategy with Shiga University

- Purposes for the partnership agreement
 - Promotion for process automations and productivity improvements backed with database analysis
 - Human resources exchange for digital strategy



May 8, 2023

Junya Suzuki, CEO, Nissha (Left), and
President Takemura, Shiga Univ. (Right)

Digital strategy at Nissha

- Productivity improvement
- Further value added to our customers
- Development of human resources for digital strategy



Shiga University

- Accumulation of co-research experiences and knowledges
- Development of data scientists

Revision of the forecast

(Millions of JPY)

| | Previous Forecast (February 14) | | | Revised Forecast (May 11) | | |
|---|---------------------------------|--------------------|--------------------|---------------------------|--------------------|--------------------|
| | FY2023 Full-year Forecast | FY2023 H1 Forecast | FY2023 H2 Forecast | FY2023 Full-year Forecast | FY2023 H1 Forecast | FY2023 H2 Forecast |
| Net sales | 192,000 | 90,700 | 101,300 | 174,500 | 83,000 | 91,500 |
| Industrial Materials | 76,500 | 37,600 | 38,900 | 70,500 | 34,200 | 36,300 |
| Devices | 72,000 | 32,500 | 39,500 | 60,500 | 28,000 | 32,500 |
| Medical Technologies | 35,000 | 16,800 | 18,200 | 35,200 | 17,000 | 18,200 |
| Others | 8,500 | 3,800 | 4,700 | 8,300 | 3,800 | 4,500 |
| Operating profit | 9,000 | 3,200 | 5,800 | 2,500 | -800 | 3,300 |
| Operating profit margin | 4.7% | 3.5% | 5.7% | 1.4% | -1.0% | 3.6% |
| Industrial Materials | 5,200 | 2,400 | 2,800 | 3,400 | 1,100 | ✓ 2,300 |
| Devices | 5,300 | 1,800 | 3,500 | 100 | -1,200 | ✓ 1,300 |
| Medical Technologies | 1,800 | 800 | 1,000 | 2,100 | 1,000 | 1,100 |
| Others | -3,300 | -1,800 | -1,500 | -3,100 | -1,700 | -1,400 |
| Profit before tax | 8,500 | 3,000 | 5,500 | 2,000 | -900 | 2,900 |
| Profit attributable to owners of parent | 6,200 | 2,200 | 4,000 | 1,000 | -1,100 | 2,100 |
| Forex | ¥130/\$ | ¥130/\$ | ¥130/\$ | ¥130/\$ | ¥131/\$ | ¥130/\$ |

(Reference)
Capital investment, Depreciation and amortization,
M&A investment, R&D (FY2023)

(Millions of JPY)

| | Q1 Results |
|----------------------------------|---------------|
| Capital investment | 1,817 |
| Depreciation and amortization | 2,250 |
| M&A investment | 2,611 |
| R&D | 1,095 |

Among the information included in this presentation and provided at investor briefings and conferences, performance targets, plans, outlooks, strategies and other information that is not constituted of actual past facts, is information that has been judged reasonable by the managers of the Company based on the information available at the time of its creation and contains elements of risk and uncertainty. Actual business results may differ greatly depending on various factors such as economic trends, market demand, and fluctuations in exchange rates.